

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 04344 151756Z

73

ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04

TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 FEA-01 ERDA-05

DODE-00 FPC-01 H-02 INT-05 L-02 NSC-05 PM-03 USIA-06

OES-03 SS-15 AGR-05 /113 W
----- 039426

R 151710Z MAY 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 8873

INFO ALL EC CAPITALS 663

USMISSION USUN NEW YORK

LIMITED OFFICIAL USE EC BRUSSELS 4344

E.O. 11652: NA

TAGS: EGEN, OECD, ETRD, EEC

SUBJECT: DEVELOPMENT OF COMMUNITY POLICY ON THE RAW MATERIALS ISSUE

REF: A) EC BRUSSELS 3868

B) OECD PARIS 12279

1. BEGIN SUMMARY: THOUGH THE COMMISSION IS ATTEMPTING TO PREPARE A PAPER FOR CONSIDERATION BY THE MEMBER STATES ON MAY 26, COMMISSION SOURCES DOUBT THAT THE COMMUNITY WILL HAVE A NEW SUBSTANTIVE POSITION ON RAW MATERIALS BEFORE TH OECD MINSTERIAL. OPINION WITHIN THE COMMISSION IS STILL DIVIDED BUT THERE IS NOW LESS EMPHASIS ON ARRANGEMENTS TO INCREASE RAW MATERIAL PRICES AND MORE EMPHASIS ON SCHEMES TO INCREASE DEVELOPING COUNTRIES' REVENUES (STABEX). SOME COMMISSION OFFICIALS ARE FRAMING THEIR APPROACH TO THE RAW MATERIALS ISSUE NOT SO MUCH FROM AN EFFORT TO AID LDCS AS ONE OF ASSURE THAT THE COMMUNITY IS WELL SUPPLIED. MEANWHILE, THE COREPER IS WORKING MAY 15-16 ON

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 04344 151756Z

THE TEXT IS A POSSIBLE DECLARATION BY THE OECD MINISTERS

AND WILL CONTINUE WORK NEXT WEEK ON AN EC STATEMENT TO BE MADE AT THE MINISTERIAL. END SUMMARY.

2. BOTH BEFORE AND AFTER SECRETARY KISSINGER'S MAY 13 KANSAS CITY SPEECH, WE HAD HAD THE CHANCE TO DISCUSS THE RAW MATERIALS ISSUE IN SOME DEPTH WITH MAYNELL, WHO IS RESPONSIBLE FOR RAW MATERIALS QUESTIONS IN THE COMMISSION'S DIRECTORATE FOR EXTERNAL RELATIONS. FOLLOWING ARE HIS COMMENTS ON THE STATUS OF THE EC PREPARATION ON THE ISSUE.

3. NO ONE DIRECTORATE GENERAL IS RESPONSIBLE FOR THE ISSUE. AN AD HOC COMMITTEE CHAIRED BY ORTOLI'S CHEF DE CABINET IS THE PRINCIPAL INSTRUMENT BEING USED FOR PREPARATION OF A COMMISSION APPROACH ON RAW MATERIALS. OFFICIALS ARE PARTICIPATING FROM THE DIRECTORATES GENERAL OF EXTERNAL RELATIONS, INDUSTRY, AND OVERSEAS DEVELOPMENT, WITH SOME INCIDENTAL PARTICIPATION FROM THE AGRICULTURAL DIRECTORATE GENERAL. THE GROUP WILL HAVE A PAPER FOR CONSIDERATION BY THE FULL COMMISSION ON MAY 21 IN ANTICIPATION OF A MEETING OF THE MEMBER STATES ON MAY 26 WHICH IS TO PREPARE FOR THE OECD MINISTERIAL. HOWEVER, MEYNELL STATED THAT HE DOUBTED THAT THE COMMUNITY WILL HAVE A NEW SUBSTANTIVE POSITION DEVELOPED BEFORE THE MINISTERIAL.

4. OPINION ON SUBSTANCE IS WIDELY DIVIDED IN THE COMMISSION. HOWEVER, PARTISANS OF AN APPROACH BASED ON PRICE INCREASES HAVE BEEN LOSING GROUND. MANY OFFICIALS AGREE WITH SECRETARY KISSINGER THAT AN APPROACH ON A PRICES BASIS WOULD GIVE MORE BENEFIT TO DEVELOPED COUNTRIES THAN TO DEVELOPING COUNTRIES. FOR EXAMPLE, PRICE INCREASES FOR THE UNCTAD LIST OF 18 COMMODITIES OR FOR VAN LENNEP'S LIST OF SIX COMMODITIES WOULD BENEFIT DEVELOPED COUNTRIES TWICE AS MUCH AS THEY WOULD BENEFIT DEVELOPING COUNTRIES.

5. MEYNELL CONSEQUENTLY HOPES THAT THE PRINCIPAL COMMUNITY APPROACH WILL CONCENTRATE ON ATTEMPTING TO INCREASE DEVELOPING COUNTRIES' REVENUES. THE MOST OBVIOUS POSSIBILITY ALONG THIS LINE IS STABEX WHICH COULD BE EXTENDED GEOGRAPHICALLY, BY COMMODITY OR FINANCIALLY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 04344 151756Z

6. MEYNELL IS WORRIED BY A TENDENCY AMONG SOME OFFICIALS TO REASON THAT THE EC IS OVERLY DEPENDENT ON IMPORTED RAW MATERIALS AND SHOULD INAUGURATE SCHEMES TO REDUCE DEPENDENCE ON CERTAIN OTHER DEVELOPED COUNTRIES (E.G., CANADA AND AUSTRALIA), BUT INCREASE DEPENDENCE ON MATERIALS PRODUCED IN LDCE SUSCEPTIBLE TO COMMUNITY INFLUENCE (E.G., MAURITANIA). MEYNELL BELIEVES THAT THIS KIND OF APPROACH CARRIES THE SEED OF SERIOUS CONFLICT AMONG DEVELOPED

COUNTRIES AND WOULD BE VERY SHORT-SIGHTED AS AN APPROACH TO THE COMMUNITY'S RAW MATERIALS NEEDS.

7. ACCORDING TO OTHER SOURCES, THE PERM REPS ARE TODAY AND TOMORROW, MAY 15 AND 16, CONSIDERING THE QUESTION OF A DRAFT DECLARATION TO BE SUGGESTED TO THE OECD MINISTERIAL. THEY WILL BE WORKING FROM A BRITISH TEXT AND INCORPORATING THE IDEAS OF OTHERS. ONCE THE WORK HAS BEEN COMPLETED, THEY WILL SEND THE PRODUCT TO THE OTHER OECD DELEGATIONS AS SOON AS POSSIBLE. THE COREPER WILL THEN BEGIN IMMEDIATE WORK ON AN EC STATEMENT FOR THE IMINISTERIAL (PRESUMABLY TO BE PRESENTED BY THE IRISH) WHICH HOPEFULLY CAN BE APPROVED BY THE MINISTERS F THE NINE IN DUBLIN ON MAY 26. THE DANES AND SOME OTHER MEMBER STATES ARE ANXIOUS THAT, WHILE THE STATEMENT BE A COLLECTIVE COMMUNITY PRODUCT,IT PERMIT WILSON TO TAKE MUCH OF THE CREDIT BECAUSE OF HIS WORK AT KINGSTON -- IN THE HOPE THAT THIS WILL BE OF ASSISTANCE TO HIM IN THE REFERENDUM. GREENWALD

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: RAW MATERIALS, POLICIES, MEETINGS, INTERGOVERNMENTAL COOPERATION
Control Number: n/a
Copy: SINGLE
Draft Date: 15 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ECBRU04344
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750171-1106
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750546/aaaabpgz.tel
Line Count: 133
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 EC BRUSSELS 3868
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 10 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <10 APR 2003 by lzenbel0>; APPROVED <21 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DEVELOPMENT OF COMMUNITY POLICY ON THE RAW MATERIALS ISSUE
TAGS: EGEN, ETRD, OECD, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006